



Republican Policy Committee

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Clinton Shifts Home Health Care Costs Out of Medicare

Clinton Avoids Reforming Medicare

Last year's report by the Medicare's trustees stated that the Hospital Insurance fund (HI or Part A) would be bankrupt by 2002. Since that time reports have indicated that the trust fund actually began running a deficit last year and is in far worse financial shape than previously thought. Already this year the Congressional Budget Office (CBO) has estimated that the Part A trust fund will go bankrupt in 2001. Well over a year since their last report, the Administration has remained silent on Medicare's financial condition.

While the Clinton Administration has ignored Medicare Part A's financial condition, they have seized on its trust fund structure to "gimmick" their way around real reform. They have done it by claiming as one of their reforms, a shifting of expenses from a trust fund-covered program to the General Fund. Thus they are claiming that they have "saved" Part A money. Specifically:

- ▶ Transferred from Part A to the general fund \$55 billion in home health benefits.
- ▶ This is nothing more than an accounting gimmick similar to using your credit card once your checking account is overdrawn.
- ▶ It does not in any way reform Medicare, reform the home health program, or in any way reduce the deficit. Under the Clinton proposal:
 - Medicare is not fundamentally changed. Instead it is abridged.
 - Home health is not changed, its costs are simply shifted to the already overtaxed American taxpayer — \$55 billion more for which they are now responsible; an extra \$561 for every American household over the next six years.
 - The deficit is not reduced one cent. Instead its deficit spending total remains the same, its red ink just pours out of another hole.
- ▶ If Medicare were a ship, it would be sinking. If Clinton were the captain he would be throwing passengers overboard rather than fixing the leak.

Not only has the White House avoided reporting on the crisis for over a year, it has also avoided trying to fix the crisis in next year's budget. In both cases, it is simply trying to hide the crisis and in neither case is it succeeding. America's seniors and America's taxpayers will be left to pay for its failure.

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